CLEVELAND PUBLIC LIBRARY
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CORPORATION FILE

ANNUAL REPORT
TO
SHAREHOLDERS

1941

CENTRAL NATIONAL BANK
of Cleveland

BOARDS
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(1941)

ANNUAL REPORT

STATEMENT TO SHAREHOLDERS

STATEMENT OF CONDITION

INCOME STATEMENT

DIRECTORS AND OFFICERS

OFFICES

To Shareholders of Central National Bank of Cleveland, Ohio:

This is the fifty-second annual meeting of the shareholders of this bank. For the third time in the bank's history our nation is at war, and for the third time the bank has geared its operations to war conditions, while at the same time it has handled the regular requirements of individuals, business, and industry in this community. The bank has taken an active part in furthering the defense plans of the country. Our activities today have direct relationship to the war effort. Loans have been made to firms for emergency facilities; defense products have been financed; and our staff has responded to the increased activities brought about by the increased responsibilities. We have organized our staff to handle the sale of United States Savings Defense Bonds and Stamps and to provide the special services necessary to assist the Government in effecting certain regulations laid down to meet war conditions.

While quarterly Balance Sheets and Reports of Earnings of the bank have been mailed to shareholders during the past year, the year-end Balance Sheet, Statement of Earnings for the year and the Statement of the Capital Account are submitted herewith.

Total Resources of the bank increased to $203,262,900.20, the highest total figures ever reported by this bank for any statement date. This is an increase of approximately $27,000,000.00 for the year. Cash and Due From Banks amounted to $68,746,995.77, which is equal to 37.3% of Total Deposits.

The Investment Account amounted to $52,968,473.86, divided as follows:

Government Bonds	$37,255,755.44
Bonds Guaranteed by U. S. Government	5,245,028.00
Municipal Bonds	1,784,916.57
Corporate Bonds and Securities	8,270,873.85
Federal Reserve Bank Stock	411,900.00
Total	$52,968,473.86

Of all types of Government Bonds, 37.4% mature in less than five years; 26.7% in five to ten years; and 35.9% over ten years. In the

Total Bond Account, 99.88% are in the four highest rating brackets and 99.96% are income-producing.

Loans and Discounts have increased more than $16,000,000.00 during the year. Loans are divided as follows:

Collateral Loans	$27,743,111.36
Commercial Loans	27,818,894.47
Real Estate Loans	16,490,401.55
Bills and Acceptances	1,245,303.56
Total	$73,297,710.94

During the year, $117,735,000.00 in new loans of all types were made to 17,574 borrowers, and 18,123 payments amounting to $115,764,00.00 were received.

Real Estate Loans increased $880,937.60 during the year. At the year end we held 4,951 real estate loans with an average balance of $3,330.72. Due to recent curtailment of building operations, there will be less opportunity to invest in new mortgages during 1942. Amortization payments on present loans have been very satisfactory.

Other Real Estate Owned has decreased from $240,776.47 to $71,164.26.

Banking Premises Account on December 31, 1941, shows an increase of $1,106,336.57 from September 24, 1941. This is due to liquidation of two subsidiary companies in which certain bank properties had been carried. These two subsidiaries wholly owned by the bank, were Sedgewick, Inc., and the United Market Square Company. Sedgewick, Inc., owned the property immediately to the east and to the south of the bank building at 308 Euclid Avenue. The United Market Square Company was the owner of the West 25th Street branch office building. Funds used to finance these two properties were provided by loans made by the bank to the subsidiary companies. With the liquidation of the subsidiaries, the properties held by the subsidiaries have been transferred to the Banking Premises Account at current depreciated book values, and their loans from the bank eliminated. Consolidation of the properties into the bank and the dissolution of the affiliates will provide small economies and eliminate the necessity of operating two additional corporations.

On December 31, 1941, Deposits amounted to $184,105,466.05,

an increase of $24,058,337.46 over December 31, 1940. These deposits were divided as follows:

Demand Deposits	60.3%
Savings Deposits	27.0
Trust and Public Funds	12.7
Total	100.0%

As required by law, United States Government obligations and other assets carried at $26,373,577.01 were pledged to secure Trust Deposits and Public Funds and for other purposes.

The Capital Structure at the year-end was as follows:

Preferred Stock 455,000 Shares, Par Value $16.00 (Retireable Value, $24.00. Total, $10,920,000.00)	$ 7,280,000.00
Common Stock 250,000 Shares, Par Value $20.00	5,000,000.00
Surplus	1,500,000.00
Undivided Profits	233,711.17
Preferred Stock Retirement Fund	508,628.35
Total	$14,522,339.52
Reserves	$ 908,768.34

During the year 10,000 shares of preferred stock were retired for $240,000.00, thereby reducing the par value of preferred stock outstanding $160,000.00. The premium of $80,000.00 on the stock retired, was charged to the Reserve for Preferred Stock Retirement Fund.

Surplus was increased from $1,290,000.00 to $1,500,000.00 by the transfer of $210,000.00 from Undivided Profits. The Undivided Profit Account shows a net increase of $56,961.06 for the year.

Transfer of $287,775.60 to the Preferred Stock Retirement Fund was made from Operating Earnings, and $80,000.00 was charged directly to this account for the premium on the retirement of 10,000 shares of preferred stock. The net increase in this fund for the year amounted to $207,775.60.

Net Earnings from operations for the year, after setting aside adequate reserve for taxes, interest and accrued expenses, amounted to $915,716.91, or $3.66 per common share. Recoveries amounted to $462,507.47, or $1.85 per share. Net losses of $18,674.67 were taken on Securities Sold, which amounted to approximately 7c per share;

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December

ASSETS

Cash in Vault, and with Banks	$ 68,746,995.77
U. S. Government Obligations Direct and Guaranteed	42,500,783.44
Other Bonds and Securities including Stock of the Federal Reserve Bank	10,467,690.42
Loans and Discounts	73,297,710.94
Customers' Liability under Acceptances and Letters of Credit	3,129,470.59
Banking Premises	4,638,307.97
Other Real Estate	71,164.26
Accrued Interest and Other Assets	410,776.81
	$203,262,900.20

As required by law, United States Government obli
are pledged to secure trust deposits and

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Federal Deposit Insurance Corporation
Federal Rese

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BANK *of* CLEVELAND

31, 1941

LIABILITIES

Deposits:		
Demand	$111,008,414.78	
Savings	49,757,809.42	
Trust and Public Funds	23,339,241.85	$184,105,466.05
Acceptances and Letters of Credit		3,129,470.59
Accrued Interest, Taxes, Preferred Dividend, etc.		567,160.32
Other Liabilities		29,695.38
Capital Funds:		
Preferred Stock—455,000 shares, par $16 per share, retireable at $24	7,280,000.00	
Common Stock—250,000 shares, par $20	5,000,000.00	
Surplus and Undivided Profits	1,733,711.17	
Preferred Stock Retirement Fund	508,628.35	14,522,339.52
Reserves		908,768.34
		$203,262,900.20

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Cleveland Clearing House Association
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and preferred stock dividends amounting to $328,857.53, or $1.32 per common share, were paid. Total Net Earnings, after preferred stock dividends, amounted to $1,030,692.18, or $4.12 per share. Of this amount, $475,955.52 was transferred to Reserves for Contingencies; $287,775.60 to the Preferred Stock Retirement Fund; and $266,961.06 to the Undivided Profits Account. The book value of the common stock, including reserves and after deducting the preferred stock retireable value, was $18.04 per share at the year-end.

From established Reserves, undesirable assets amounting to $90,068.49 were charged off or written down during the year. Recoveries will eventually be obtained on many of these items. The net increase in Reserves was $385,887.03. All known losses in the loan and investment accounts have been eliminated from the bank's books.

You have heretofore been informed of the existing restrictions in the Articles of Association covering the payment of dividends on the common shares. Today there is being presented to the shareholders a proposal to amend the Articles of Association whereby the common dividend restriction is modified to permit of payment of a dividend on the common stock when, in the opinion of your directors and the owners of the preferred shares, such payment is considered to be warranted.

During the year the bank suffered grievous losses through the deaths of two of its Directors. On October 22, 1941, Mr. Allyn F. Harvey passed away, and on December 21, 1941, news came of the sudden passing of Mr. Malcolm L. McBride. Mr. Harvey had been associated with the bank as a Director for over 16 years and until the time of his illness, was a member of the Trust Committee. To this work he gave generously of his time and contributed his great ability. Mr. McBride was a Director for a period of 27 years. At the time of his death he was a member of the Executive Committee and the Trust Committee. At all times he was regular and faithful in his attendance and also contributed wise counsel to the institution. The inspiration and achievements of both of these directors will long remain with the bank.

May I express here my appreciation of the efficiency and loyalty of the men and women on the staff and to our Directors who give a great deal of time to the bank and who accept a real responsibility for its operation.

Cleveland, Ohio,
January 13, 1942.

BENEDICT CROWELL,
President.

OPERATING STATEMENT FOR THE YEAR 1941

Total Earnings		$ 4,500,512.87
Total Expenses		3,584,795.96
Net Earnings from Operations		$ 915,716.91
Recoveries		462,507.47
Total All Sources		$ 1,378,224.38
Net Loss on Securities Sold	$ 18,674.67	
Provision for Dividend on Preferred Stock	328,857.53	
		347,532.20
Total Net Earnings		$ 1,030,692.18
To Reserve for Contingencies	$475,955.52	
Transferred to Preferred Stock Retirement Fund	287,775.60	
Net Increase in Undivided Profits	266,961.06	
Total		$ 1,030.692.18

DIRECTORS

SAMUEL E. BOOL
Partner—Pickands, Mather & Co.

COURTNEY BURTON
Vice President, The E. W. Oglebay Co.

GEO. S. COLE
Cleveland, Ohio

W. C. CONNELLY
President, The Ohio Seamless Tube Co. Shelby, Ohio

A. M. CORCORAN
Vice President

BENEDICT CROWELL
President

A. H. FERBERT
President, Pittsburgh Steamship Company

ALFRED FRITZSCHE
Vice President—General Manager, Automatic Sprinkler Corp. of America

LORING L. GELBACH
Vice President

W. C. GIVEN
Vice President

LOUIS W. GREVE
President, The Cleveland Pneumatic Tool Co.

M. C. HARVEY
M. C. Harvey & Co.

C. P. LEININGER
President, Eagle Laundry, Inc.

J. C. MCHANNAN
Chairman

STERLING NEWELL
Squire, Saunders & Dempsey

ROBERT J. SCHMUNK
Automobile Distributor

W. J. SCHOENBERGER
President, The W. J. Schoenberger Co.

ARTHUR H. SEIBIG
Vice Chairman

W. B. STEWART
McKeehan, Merrick, Arter & Stewart and George William Cottrell

MYRON H. WILSON, JR.
Partner—Wilson, McBride & Company

OFFICERS

Chairman
J. C. McHANNAN

Vice Chairman
ARTHUR H. SEIBIG

President
BENEDICT CROWELL

Vice President
C. L. CORCORAN

Vice President
LORING L. GELBACH

BANKING DEPARTMENT

DIVISION A
W. E. ROE
Vice President

H. C. GOSS
Asst. Cashier

DIVISION B
W. C. GIVEN
Vice President

C. R. LEE
Vice President

DIVISION C
F. C. SCHLUNDT
W. P. ABBOTT
H. R. HARRIS
J. M. KILLPACK
Vice Presidents

C. W. CARLSON
Asst. Vice President

DIVISION D and FOREIGN TRADE
F. M. HORTON
Vice President

O. L. CARLTON
H. W. HORTON
Vice Presidents

C. H. MARTIN
Asst. Vice President

E. L. CARPENTER
J. F. SCHREIER
Asst. Cashiers

W. G. WHEELER
Asst. Mgr. Foreign Dept.

DIVISION E
T. D. HAMMOND
Manager

PUBLIC RELATIONS DEPARTMENT
ROBERT J. IZANT
Vice President

INVESTMENTS
C. M. COLYER
Vice President

CREDIT DEPARTMENT
JOHN D. BEALE
Manager

SAVINGS DEPARTMENT
W. H. QUAYLE
Manager

COMPTROLLER
R. C. HUELSMAN

AUDITOR
A. P. THOMPSON

BANK OPERATING DEPARTMENT

J. L. CARLSON
Asst. Cashier

O. A. KUHL, JR.
Cashier

W. J. MURPHY
Asst. Vice President

M. W. MORAN
Asst. Cashier

TRUST DEPARTMENTS

A. M. CORCORAN
Vice President

ESTATES TRUST DEPT.
A. C. KNIGHT
J. P. HANCE
Vice Presidents

R. B. WHITNEY
Trust Officer

F. C. FULTON
W. A. HILES
Asst. Vice Presidents

H. O. ADKINS
H. A. MINNICH
C. G. RODGERS
W. G. STOLL
Asst. Trust Officers

TAX DEPARTMENT
C. H. BRALEY
Manager

CORPORATE TRUST DEPT.
W. C. COLE
Vice President

ANTHONY POSS
Trust Officer

W. C. WAY
Asst. Trust Officer

BRANCH OFFICES

W. E. CALDWELL, JR., *Vice President*
Main Office, 308 Euclid Avenue

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UNITED OFFICE
2000 West 25th Street
Vice President
C. A. WILKINSON
Asst. Cashiers
C. W. DEUTSCH
ALVIN D. HEIL
Asst. Manager, Foreign Dept.
VICTOR H. SCHON

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PLAYHOUSE SQUARE OFFICE
1612 Euclid Avenue
Asst. Vice President
D. A. BERARDI
Asst. Manager
A. J. MAMPEL
HEADQUARTERS
DIVISION E
Time Credit Department
Personal Loan Division
Time Sales Division

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ROCKEFELLER OFFICE
612 Superior Avenue, N. W.
Asst. Vice President
G. R. WYMAN
Asst. Manager
M. P. O'MALLEY

BUCKEYE ROAD OFFICE
Buckeye Road & E. 118th St.
Asst. Cashier
A. M. ROSE

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COVENTRY OFFICE
Coventry & Lancashire Roads
Cleveland Heights
Asst. Cashier
L. O. BOND

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DOAN OFFICE
Euclid Ave. at E. 101st St.
Asst. Vice President
D. D. SCOTT
Asst. Manager
R. S. WILSON

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KENMORE OFFICE
St. Clair Ave. at E. 140th St.
Asst. Cashier
W. G. KIRKWOOD

LORAIN-DENISON OFFICE
10034 Lorain Avenue
Manager
L. M. VIRTUE

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OUL OFFICE
Broadway at E. 55th St.
Asst. Vice President
JOHN H. BONNAR
Asst. Manager
A. A. PENKALSKI

•

CHAGRIN FALLS OFFICE
Chagrin Falls, Ohio
Asst. Cashier
R. E. WARNES

•

CHARDON OFFICE
Chardon, Ohio
Asst. Vice President
E. L. MAURER
Asst. Cashier
WILSON W. SMITH